PROJECT OVERSIGHT REPORT

Merchandising Business System (MBS)	**Report as of Date:**
Washington State Liquor Control Board (WSLCB)	**March 2002**

Project Director: Linda Bremer   **Executive Sponsor:** Pat Kohler
MOSTD Staff: Andy Marcelia

Description: The 2001 Legislature authorized the Washington State Liquor Control Board (WSLCB) to replace their Point of Sale (POS) software with a commercially available product capable of managing and supporting the agency's retail business. These business activities include procurement (timely sales and marketing data), distribution (electronic tracking of shipping and handling), wholesale and special orders, and POS in the 157 state liquor stores. The project also includes implementation of data mart software to access Merchandising Business System (MBS) information. The project has two primary phases, "Requirements Definition Study" and "Solution Implementation".

The WSLCB plans to select the implementation vendor through a Request for Proposal (RFP) process. They will seek a package with a strong match to their requirements and adapt their business practices to avoid modification to maintain a "vanilla" system. The implementation vendor will provide project management support for the project. The WSLCB staff will work closely with the vendor to ensure knowledge transfer occurs during the project.

Technology: The proposal from the apparently successful vendor will determine the technology. The RFP will include replacement of the POS industry standard equipment in the state operated liquor stores.

Life Cycle Stage: This project is in the requirements development stage prior to releasing a RFP.

Budget: The budget for this project is $4,802,720. The contract with the consultant, Jefferson Wells International to develop the requirements is the only financial commitment to date for $360,000.

Schedule: The Requirements Definition Study is divided into three phases:
Phase I - Requirements Study ('As Is' and 'To Be'): Complete
- 'As Is' Completion Date: January 15, 2002
- 'To Be' Completion Date   February 6, 2002

Phase II - Release Request for Proposal: Complete
- Completion Date: March 13, 2002

Phase III – Select Vendor/Solution.
- Estimated Completion Date: May 10, 2002

Status: The WSLCB determined that professional expertise with current knowledge in the field of retail operations was needed to document requirements for the new MBS. The WSLCB contracted with Jefferson Wells International (JWI) to develop a complete requirements document. The requirement statement is a major part of the criteria for identifying the successful vendor for the MBS. JWI completed Phase I of the Requirements Definition Study and the business units signed off on the requirements. The WSLCB is using the services of the

Office of State Procurement of the Department of General Administration to develop the final RFP document and to administer the RFP. The RFP was released March 13, 2002.

The WSLCB has amended their contract with JWI for Phases II and III. Changes to Phase II allow additional review, documentation, and compilation of the requirements. JWI also used more time to review the technical requirements to ensure that the technical requirements are in line with commercially available solutions. Changes to Phase III include the addition of "gap analysis" activities to identify differences between commercially available solutions and the RFP requirements. The 'not to exceed' value of the amendment is $180,000, in addition to the original contract of $180,000.

The project steering committee will review the RFP vendor responses. JWI will not be a candidate for the solution implementation contract. The project steering committee has been formed but has not held any meetings.

Linda Bremer is the WSLCB's new Information Technology Services Director. Ms. Bremer started her duties in February. Sterling Associates will provide the project external quality assurance.

Recommendation: DIS recommends the development of a project communications plan and spending plan with progress reports to the plan.